

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7184

BILL NUMBER: HB 1551

NOTE PREPARED: Feb 20, 2009

BILL AMENDED: Feb 19, 2009

SUBJECT: Annexation.

FIRST AUTHOR: Rep. Vandenburg

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill provides that an annexation ordinance, an annexation order, and a disannexation order may take effect during the year preceding the year in which a federal decennial census is conducted if the annexed or disannexed territory contains no population. It repeals a superseded statute.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) Under current law, an annexation ordinance that has fulfilled all administrative requirements (i.e. remonstrances, appeals, publication etc) is permitted to take effect immediately if the annexed territory has no population, 90% of the total value of the land property tax purposes has one owner, and the annexation is required to fulfill an economic development incentive package. However, the ordinance may not take effect during the year preceding a year in which a federal decennial census is conducted. An annexation or disannexation that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 2 of the year in which a federal decennial census is conducted.

This bill repeals the immediate annexation clause of current law. Additionally, it permits an annexation or disannexation to take effect in the year preceding a federal decennial census if the annexed or disannexed

territory contains no population. As a result, this bill could potentially benefit local communities planning to annex an adjoining area for an economic development project in the year prior to the year a federal decennial census is conducted. Under current law the annexation and the project would have to be delayed as much as one year. This bill would permit the annexation and the project to go forward as long as the annexed area is not populated.

There is at least one such economic development project (in Vanderburgh county) that would be impacted by this bill. In order to start the project the municipality in question has to annex an adjoining area that is not currently populated. This bill would allow it to do so in 2009 instead of waiting until January 2, 2010 as it would have to under current law.

State Agencies Affected:

Local Agencies Affected: Municipalities.

Information Sources:

Fiscal Analyst: David Lusan, 317-232-9592